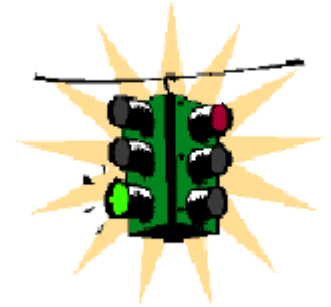


# STRATEGIC MANAGEMENT OF HUMAN CAPITAL



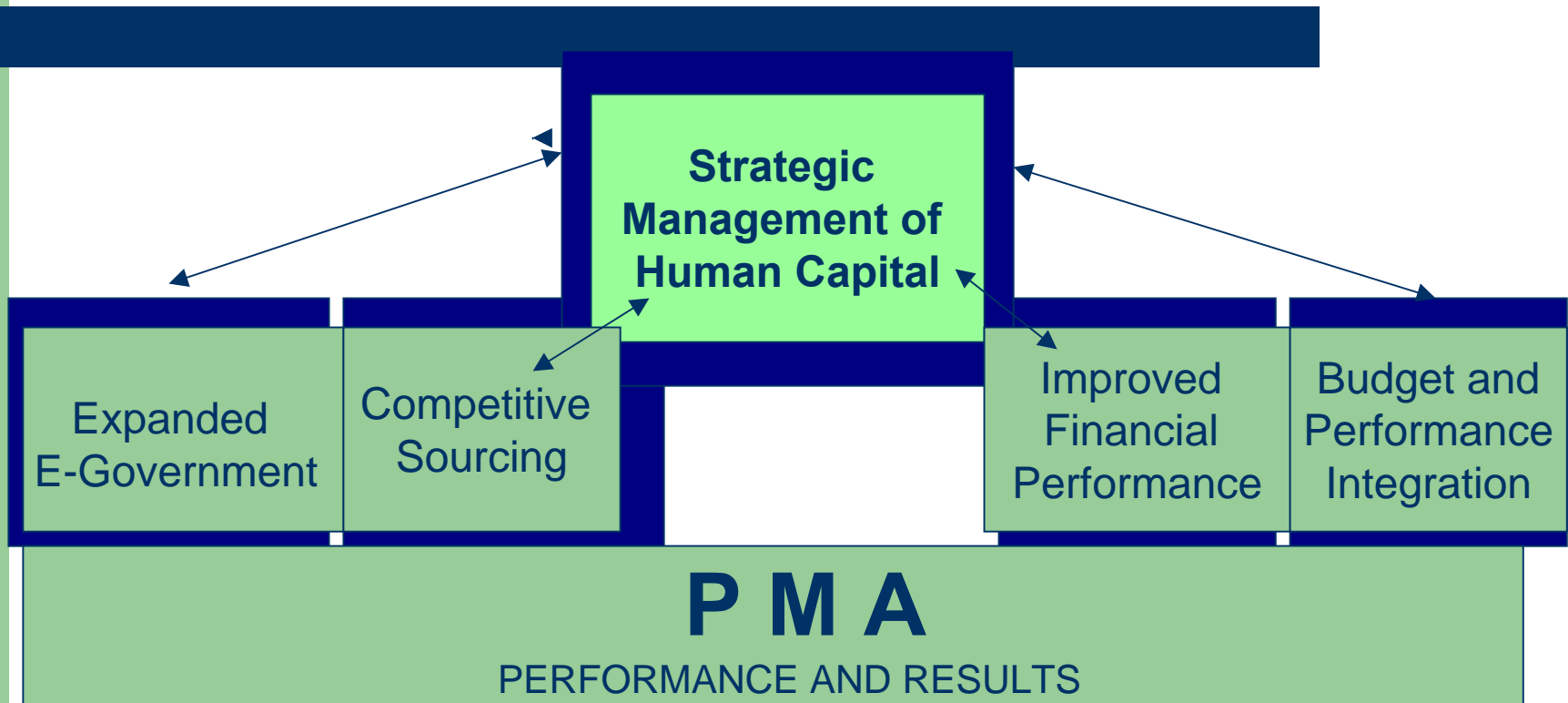
Greater St. Louis Federal  
Executive Board

**Executive Forum**



Marta Brito Perez, Director  
Human Capital Performance Team

# President's Management Agenda (PMA): 5 CROSSCUTTING GOVERNMENTWIDE INITIATIVES



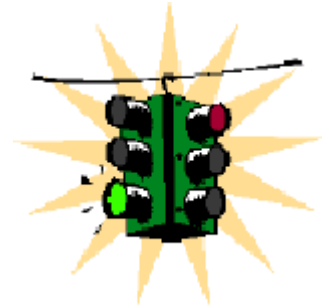
# The President's Vision

A government that is:

- Citizen, not bureaucracy, centered
- Results, not process, oriented
- Market-based, promoting innovation and competition



# PRESIDENT'S MANAGEMENT SCORECARD



## USING MEASUREMENT TO FOCUS AND DRIVE CHANGE

- Links the 5 areas of the PMA
- Red, yellow, green ratings
  - Measures agencies progress and status quarterly
- Goal: Get results
  - Holds agencies accountable for performance and results



*“What gets measured, gets done.”*

--Peter Drucker

*“What you measure is what you get.”*

-- Jack Welch, former GE executive




# Momentum for Change

## “The Stars are Aligned”

- ★ Leadership – driving change
- ★ Pending retirement rate
- ★ Greater expectation for accountability
- ★ Budget constraints



- 
- ★ Highly skilled diverse workforce
  - ★ Renewed interest in public service
  - ★ Government perceived as more stable than private sector
  - ★ Technology advances – electronic recruitment, systems integration - better information



# HUMAN CAPITAL PERFORMANCE: OPM's ROLE

- OPM Director Kay Coles James --  
President's advisor on human capital matters
- OPM partnering with OMB on HC initiative
- OPM formed HC performance team – assist  
agencies directly (review, consult, guide,  
evaluate)



# Human Capital

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**A Transformation in the Strategic  
Employment, Deployment, and Development  
of the Federal Workforce.**



**Strategic  
Management of  
Human Capital**



# Human Capital Standards for Success

- The ability to create an effective government depends on its ability to develop and attract quality employees and to motivate them to perform at high levels.
- The investment in human capital is the right thing to do if agencies are to achieve their mission.
- OPM is refining a Human Capital Framework that builds upon five pillars of effective human capital management – Strategic Alignment, Talent, Learning and Knowledge Management and Leadership - and support the Human Capital Standards for Success.
- Framework is being developed as an online tool with links to appropriate resources available at OPM and other agencies, and with a corresponding Human Capital Assessment and Accountability tool...

*Human Capital and  
Accountability  
Assessment  
Tool*

# Building Excellence with the Human Capital Framework

## Human Capital Standards for Success

### Standard #1

- Agency human capital strategy is aligned with mission, goals, and organizational objectives: 1) integrated into Budget and Strategic Plans; 2) consistent with OPM's human capital scorecard (issued December 1, 2001) and 3) complies with standards for internal accountability systems to ensure effective merit-based HRM.

### Standard #2

- Agency has a citizen-centered, organizational structure that is delayed and oriented toward performing the mission assigned to it.

### Standard #3

- Agency 1) sustains high-performing workforce that is continually improving in productivity; 2) strategically uses existing personnel flexibilities, tools, and technology and 3) implements effective succession plans.

### Standard #4

- No skill gaps/deficiencies exist in mission critical occupations.

### Standard #5

- Agency differentiates between high and low performers through appropriate incentive and rewards.

### Standard #6

- Changes in agency workforce skill mix and organizational structure reflect increased emphasis on e-government and competitive sourcing.

## Cornerstones

## Critical Success Factors

Strategic Human  
Capital Alignment

- Shared Vision
- Human Capital Focus
- Implementation by Managers
- Integrating the HR Function
- Workforce Deployment
- PMA Alignment

Leadership

- Leadership Planning and Implementation (SES), Managers and Supervisors.
- Integrity and Inspiring Employee Commitment

Talent  
Strategic  
Competencies

- Workforce Analysis
- Compete for Talent

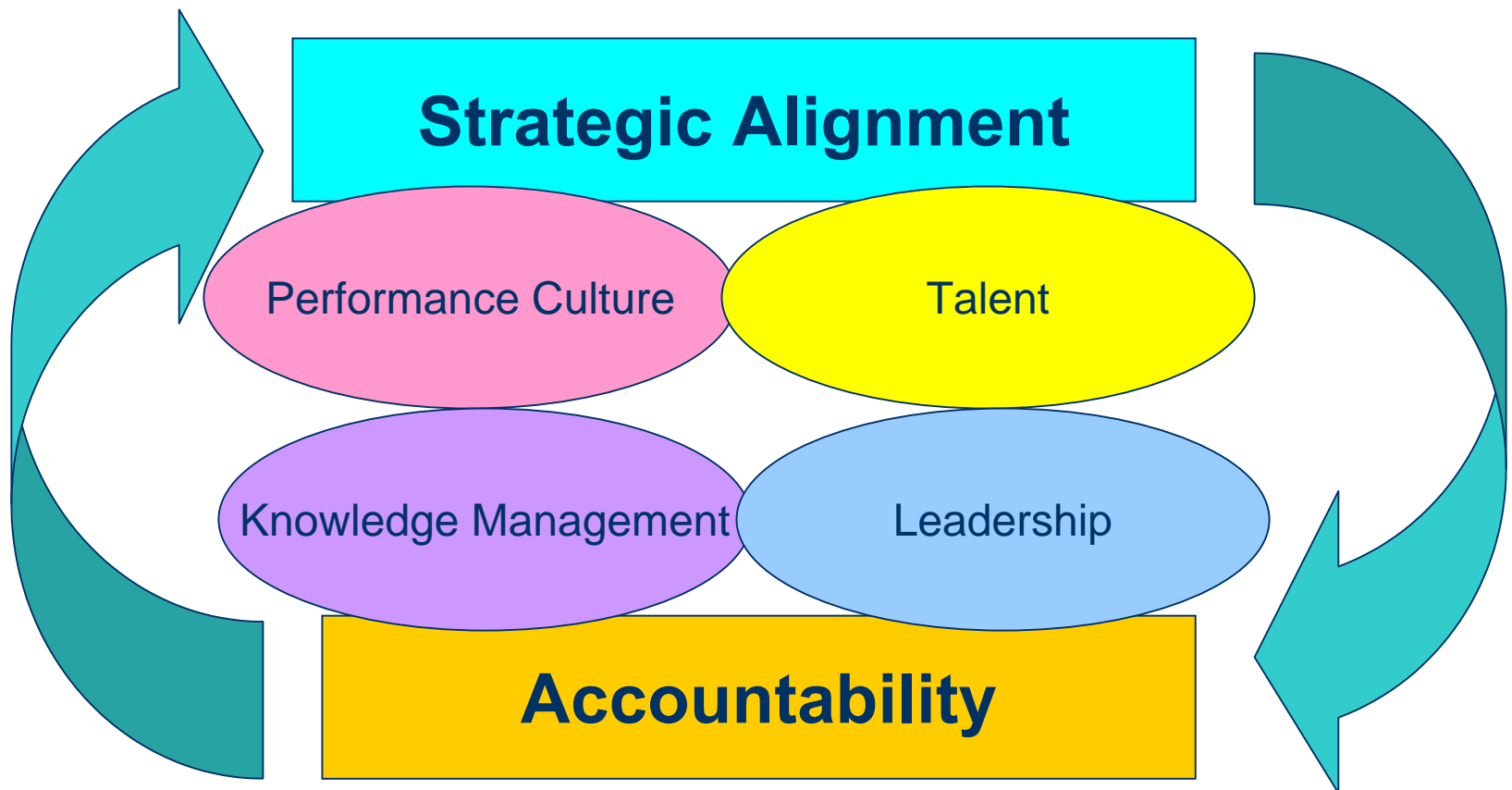
Learning and  
Knowledge  
Management

- Strategic Knowledge Management
- Continuous Learning and Improvement

Results-Oriented  
Performance  
Culture

- Performance Management
- Diversity and Relationships

# Human Capital Transformation Process : Key Dimensions



# Or, more simply put.....

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*“You got to be very careful if you don’t know where you’re going, because you might not get there.”*

-- Yogi Berra



# HUMAN CAPITAL DIMENSION: Strategic Alignment

## Develop a HC Strategy and Action Plan

- Create a citizen-centered, delayed organization
- Conduct workforce analysis and planning
- Leverage e-Government, competitive sourcing
- Use personnel flexibilities and technology where they work best
- Integrate into budget and strategic plan
- Create a shared vision for the future with a human capital focus



# **HUMAN CAPITAL DIMENSION: Talent**

**Have quality people with competencies they need  
in most mission-critical activities**

- Develop HC strategies to identify and reduce skill gaps
- Develop staffing/retention strategies for employees with strategic competencies
- Use personnel flexibilities and learning strategies
- Assess quality of employees hired
- Integrate into budget request – make a business case
- Evaluate your success



# HUMAN CAPITAL DIMENSION: Performance Culture

## X Diverse, results-focused, high performing workforce

- Develop a mission-related employee performance mgmt system
  - **Plan** – set goals and measures
  - **Monitor**– measure performance & provide feedback
  - **Develop** – address poor performers, improve good performers
- Align - reward system to agency's values – results
- Align cultural competencies and skills with mission
- Develop diversity goals and measures of success





# HUMAN CAPITAL DIMENSION: Leadership

## **Ensure continuity of effective leadership**

- Identify potential leaders from within
- Develop succession plans with specific objectives
- Encourage risk-taking
- Reward results-oriented efforts
- Maintain high standards of honesty and integrity
- Evaluate succession planning strategy
- Develop leadership development strategies consistent with mission
- Develop plans to meet recruitment/retention targets for high-performing executives, managers & leaders



# **HUMAN CAPITAL DIMENSION: Learning & Knowledge Management**

**Promote continuous learning environment and knowledge management supported by appropriate investments in training and technology**

- Create a learning culture that supports employee development
- Conduct audit to determine and locate knowledge needed
- Collect best practices and lessons learned to share knowledge
- Encourage learning to promote transfer and use of knowledge
- Measure learning and knowledge transfer strategies



# **HUMAN CAPITAL DIMENSION: Accountability**

**▶ All agency managers accountable for effective HC management in support of mission consistent with merit system principles**

- Evaluate timeliness, accuracy and cost of HR services
- Leverage technology to enhance service delivery
- Participate in business integration strategies
- Determine HC implications of competitive sourcing, e-government
- Acquire competencies to be an effective partner



# What's the secret formula?

- Everyone's issues are different
- No single model
- Going through the process is half the battle



# What does success look like?

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A tale of two agencies



# Effective HC Effort -vs- Ineffective HC Effort

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- Got top level commitment quickly
  - Formed a team cutting across agency—levels, programs, political/career
  - Establishing agency-wide vision for the future
  - Focused on transforming HC because it will help them perform their mission better
  - Addressing strategic alignment first
  - Integrated approach to PMA agenda (E gov, Comp Sourcing, Fin Mgmt); taking each into account in HC planning/strategy
  - Proactive, positive and open communication with OPM/OMB
- Assigned HC initiative to HR office
  - No top managers outside HR office involved
  - Viewing components/bureaus separately with a “here and now” focus
  - Focused on getting a “green” score
  - Scattered approach to dimensions
  - Addressing each agenda item separately
  - “Don’t call us, we’ll call you”; defensive; closed

# Effective HC Effort -vs- Ineffective HC Effort

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- Developing a HC strategy designed to address both current and future issues
- Comprehensive business process reengineering—What do we do? How? Why? Does our structure help or hinder?
- Have workforce data and have figured out what it means
- Assessing themselves objectively using the 5 key dimensions; formulating options to address weaknesses; implementing targeted solutions
- Linking initiatives to specific challenges
- Addressing HR requirements today
- “We restructured in the 1990’s—we’re done”
- Have little workforce data and/or don’t know what it means
- Waiting for the GWS results
- Listing HR programs/initiatives without linkage to problems

# Effective HC Effort -vs- Ineffective HC Effort

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- Working to develop documented accountability system
- Focused on using available options strategically; demonstrating what does and doesn't work and making a business case for additional needs
- Setting specific actions, timelines, goals and measures for success in implementing plan
- Establishing a process for future evaluation, adjustment
- Expect it to take a while
- "Our HR is working fine"--No interest in developing accountability system
- Focused on list of desired legislative options and waiting for them to become law
- Goals, actions, dates, and results desired are vague or nonexistent
- Developing HC strategy is a one-time event
- Expect to get to green next week



# Whose issue is it?

- Management of people is management's job
- But – HR must be:
  - at the table
  - actively involved
  - providing data
  - offering tools
  - consulting
  - helping management identify and address issues



# Requires balance between:

- Human Resource experts
- Political appointees
- Top level managers
- Focus on present
- Reactive approach
- Differentiation
- Program experts
- Career employees
- Line staff
- Vision for the future
- Proactive approach
- Integration

